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OFFICE OF PETITIONS

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SUITE 410
FARMINGTON HILLS, MI 48334**

Paper No. 23

In re Patent No. 5,700,654 :
Issue Date: December 23, 1997 :
Application No. 08/304,147 : ON PETITION
Filed: September 12, 1994 :
Attorney Docket No. 9101BCIP :

This is a decision on the petition under 37 CFR 1.378(b), filed on December 6, 2005, to accept the unavoidably delayed payment of a maintenance fee for the above-identified patent.

The petition is **DISMISSED**.

If reconsideration of this decision is desired, a petition for reconsideration under 37 CFR 1.378(e) must be filed within TWO (2) MONTHS from the mail date of this decision. No extension of this two-month time limit can be granted under 37 CFR 1.136(a) or (b). This is **not** a final agency action within the meaning of 5 U.S.C. § 704.

Any petition for reconsideration of this decision must be accompanied by the petition fee of \$400 as set forth in 37 CFR 1.17(f). The petition for reconsideration must include the lacking item(s) noted below, since, after a decision on the petition for reconsideration, no further reconsideration or review of the matter will be undertaken by the Commissioner.

The above-identified patent issued on December 23, 1997. The three and one-half (3½) year maintenance fee was due December 23, 2001, and could have been paid from December 23, 2000, through June 23, 2001, or with a surcharge during the period from June 24, 2001, to December 23, 2001. Accordingly, the patent expired at midnight on December 23, 2001, for failure to submit the first maintenance fee.

A grantable petition to accept the delayed payment of a maintenance fee under 35 USC 41(c) and 37 CFR 1.378(b) must be accompanied by (1) an adequate, verified showing that the delay was unavoidable, since reasonable care was taken to insure that the maintenance fee would be paid timely, (2) payment of the appropriate maintenance fee, unless previously submitted, and (3) payment of the surcharge set forth in 37 CFR 1.20(i)(1). This petition lacks item (1).

37 CFR 1.378(b)(3) states that any petition to accept delayed payment of a maintenance fee must include:

A showing that the delay was unavoidable since reasonable care was taken to ensure that the maintenance fee would be paid timely and that the petition was filed promptly after the patentee was notified of, or otherwise became aware of, the expiration of the patent. The showing must enumerate the steps taken to ensure timely payment of the maintenance fee, the date, and the manner in which patentee became aware of the expiration of the patent, and the steps taken to file the petition promptly.

Petitioner files the instant petition in an effort to pay both the three and one-half (3½) year maintenance fee and the seven and one-half (7½) year maintenance fee and explains that nonpayment of the maintenance fee was unavoidable, because of the petitioner's inability to establish communication with a party responsible for payment of the maintenance fee. Petitioner states, *inter alia*, that "[V]anderbilt University (Vanderbilt), owner of the '654 patent, requested that its licensees handle all patent maintenance and patent issues, and therefore, Petitioner never sent notice of the upcoming Maintenance Fee to Vanderbilt", that "[P]etitioner law firm sent notice on February 1, 2001 to Dennis Callewaert of Oxford Biomedical research, Inc. (licensee of the '654 Patent) that 3½ year Maintenance Fee was coming due", that "[O]n February 7, 2001, Mr. Callewaert informed Petitioner that a new licensee, Lipoprotein Diagnostics (Lipoprotein) and specifically Eric Kuhrt thereof, would be handling all maintenance of the '654 patent". Furthermore, petitioner states that numerous attempts to communicate with Mr. Kuhrt of Lipoprotein were unsuccessful, specifically on February 9, 2001, on February 13, 2001, on August 13, 2001, on October 18, 2002, on January 3, 2003, and on January 13, 2003. Petitioner additionally states that no responses to the aforementioned communications have ever been received from Lipoprotein.

The record further reveals that there were no attempted communications from January 13, 2003 (the date of the last attempted communication with Lipoprotein) until December 24, 2003 (the last day to file petition based on unintentional delay), neither between petitioner and Lipoprotein, nor between petitioner and Vanderbilt. Additionally, there were no communications between petitioner and Vanderbilt until December 14, 2004 (i.e. almost three (3) years after the expiration of the '654 patent and almost one (1) year after ending of the time period to file a petition based on unintentional delay), when petitioner informed Vanderbilt "of status of abandoned '654 patent".

The record further includes: (1) a copy of an e-mail from Sheryl Fox to Laura Komjathy dated September 22, 2005 with an attachment from Janis Elsner of Vanderbilt University which states that Eric Kuhrt "took no steps to make timely payment of the maintenance fee when it was due because he was not aware it was due"; (2) a letter from Eric Kuhrt stating that he did not inform Kohn and Associates of contact information for Lipoprotein after Lipoprotein moved; and (3) a copy of a license agreement (Agreement), received September 20, 2004 and signed by Eric Kuhrt on May 15, 1998, between Vanderbilt University and Lipoprotein Diagnostics, Inc. which states, *inter alia*, that: "[L]icensee shall have responsibility for prosecution and maintenance of patent applications and patents related to the Vanderbilt Invention and the Joint Invention, provided however that VANDERBILT shall have reasonable opportunities to advise LICENSEE and shall cooperate with LICENSEE as to the filing, prosecution and maintenance of such patent applications and patents. LICENSEE shall furnish to VANDERBILT copies of documents relevant to any such filing, prosecution, or maintenance. LICENSEE shall be obligated to make timely payment of all maintenance fees following the issuance of the Patent. If LICENSEE elects to no longer prosecute or pay the expenses of a patent application or patent included within the Licensed Patent Rights, LICENSEE shall notify VANDERBILT not less than sixty (60) days prior to such action, or deadline

required to preserve Patent Rights, and shall thereby surrender its rights under such patent or patent application." See paragraph 6.1 on p. 7 of the Agreement.

The showing of record is inadequate to establish unavoidable delay within the meaning of 37 CFR 1.378(b)(3).

As 35 USC § 41(b) requires the payment of fees at specified intervals to maintain a patent in force, rather than some response to a specific action by the Office under 35 USC § 133, a reasonably prudent person in the exercise of due care and diligence would have taken steps to ensure the timely payment of such maintenance fees. Ray v. Lehman, 55 F.3d 606, 609, 34 USPQ2d 1786, 1788 (Fed. Cir. 1995). That is, an adequate showing that the delay in payment of the maintenance fee at issue was "unavoidable" within the meaning of 35 U.S.C. § 41(c) and 37 CFR 1.378(b)(3) requires a showing of the steps taken by the responsible party to ensure the timely payment of the maintenance fee for this patent. Id.

As the patent holder at the time of expiration, it was incumbent on Vanderbilt to have itself docketed this patent for payment of the maintenance fee in a reliable system as would be employed by a prudent and careful person with respect to his most important business, or to have engaged another for that purpose. See California Medical Products v. Technol Med. Prod., 921 F.Supp. 1219, 1259 (D.Del. 1995). Here, Vanderbilt's licensee, first Oxford, then Lipoprotein, were obligated. Even where another has been relied upon to pay the maintenance fees, such asserted reliance *per se* does not provide a petitioner with a showing of unavoidable delay within the meaning of 37 CFR § 1.378(b) and 35 USC § 41(c). Id. Rather, such reliance merely shifts the focus of the inquiry from the petitioner to whether the obligated party acted reasonably and prudently. Id. Nevertheless, a petitioner is bound by any errors that may have been committed by the obligated party. Id. See Futures Technology, Ltd. v. Quigg, 684 F. Supp. 430, 431, 7 USPQ2d 1588 (E.D. Va. 1988)(applicant's diligent inquiry into responsible party's performance under a contract is required to show unavoidable delay); Douglas v. Manbeck, 21 USPQ2d 1697, 1699-1700 (E.D. Pa. 1991), *aff'd*, 975 F.2d 869, 24 USPQ2d 1318 (Fed. Cir. 1992)(diligence on the part of the owner is necessary where that owner's putative representative fails to take timely and proper steps with respect to a proceeding before the Patent and Trademark Office; R.R. Donnelley & Sons v. Dickinson, 123 F.Supp.2d 456, 460, 57 USPQ2d 1244 (N.D. Ill. 2000)(failure of assignee to exercise diligence for a period of seven years precluded acceptance of the maintenance fee). The delay was not unavoidable, because had Vanderbilt exercised the due care of a reasonably prudent person, petitioner would have been able to act to correct the situation in a more timely fashion. Douglas, supra; Donnelley, supra.

As a reasonably prudent person with respect to his most important business, Lipoprotein should have ensured that adequate steps were taken, upon its relocation, to ensure that counsel was provided with a proper correspondence address for all matters before the Patent and Trademark Office (Office) in which Lipoprotein was responsible. Notwithstanding the failure to properly and promptly notify counsel of Lipoprotein's change of address, Lipoprotein appears to have given no further thought to the maintenance fee payment. Lipoprotein's preoccupation with other matters, including its relocation, does not excuse the delay in this case, nor does it avoid a finding that the resultant delay was not unavoidable. Smith v. Mossinghoff, 671 F.2d 533, 538, 213 USPQ 977, 982 (D.C. Cir. 1982)

The record fails to show that adequate steps within the meaning of 37 CFR 1.378(b)(3) were taken by or on behalf of petitioner to schedule or pay the maintenance fee. Petitioner is reminded that 37 CFR

1.378(b)(3) is a validly promulgated regulation, as is the requirement therein for petitioner's showing of the steps taken to pay the fee. Ray, 55 F.3d at 609, 34 USPQ2d at 1788. In the absence of a showing of the steps taken by or on behalf of petitioner, 37 CFR 1.378(b)(3) precludes acceptance of the maintenance fee. Indeed, there is no showing that Lipoprotein had any steps in place.

Petitioner asserts that Lipoprotein was responsible for payment of the maintenance fee. Therefore, petitioner must provide a statement from Lipoprotein showing: (1) the steps that were in place to ensure timely payment of the maintenance fee, (2) a complete explanation of how the system worked, and (3) an explanation as to why the system failed in this instance.

Why was it unavoidable for petitioner to check whether the maintenance fee had been paid and, if the fee had not been paid, pay the fee? Why did petitioner fail to communicate with Vanderbilt (the patent owner) before the expiration of the '654 patent or before the ending of the time period to file petition based on unintentional delay, specifically, when no responses from Lipoprotein (the licensee) have been received? Vanderbilt's letter of September 26, 2005 states, *inter alia*, that "Had Vanderbilt known about the nonpayment of the Maintenance Fee, it would have taken timely action to pay the Maintenance Fee, or revive the '654 Patent" (emphasis added). Why is petitioner's failure to timely inform Vanderbilt about the upcoming expiration of the '654 patent or about upcoming ending of the time period to file petition based on unintentional delay unavoidable?

The showing to date is that the responsible person at Lipoprotein, Mr. Kahrts, was unable to be reached by counsel, and this was the cause for expiry. However, delay resulting from a failure to keep counsel apprised of a current correspondence address for receiving maintenance fee notices is not unavoidable delay. See Ray, supra.

Petitioner is advised, however, that the USPTO is not the forum for resolving a dispute between a patent owner and his representative as to who bore the responsibility for paying a maintenance fee. See Ray, supra.

Additionally, a review of the record indicates that petitioner has submitted a \$250 surcharge fee instead of the required \$700, now in effect. Therefore, the surcharge fee deficiency of \$450 will be charged to petitioner's deposit account No. 11-1449.

Further correspondence with respect to this matter should be addressed as follows:

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By Hand: U. S. Patent and Trademark Office
 Customer Service Window, Mail Stop Petitions
 Randolph Building
 401 Dulany Street
 Alexandria, VA 22314

Patent No. 5,700,654

The centralized facsimile number is **(571) 273-8300.**

Telephone inquiries concerning this decision should be directed to Anatoly Vortman at (571) 272-6051,
or in his absence to the undersigned at (571) 272-3217.



Brian Hearn
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